(c) No, Sir.

(d) and (e) Export promotion is a continuous process and steps are initiated by the Government from time to time through simplification of policies & procedures, improving bilateral trade, debottlenecking of export infrastructure etc. Consultations are also held with trade and industry as well as Export Promotion Councils and Commodity Boards for facilitating increased sectoral export growth.

Decrease in foreign direct investment

976. SHRI K.M. KHAN: Will the Minister of INDUSTRY be pleased to state:

(a) whether during the post-reforms period (1991—96) it has been found that percentage of actual inflow of foreign direct investment is very low;

(b) if so, the reasons therefor;

(c) whether Government propose to take some steps to raise inflow of foreign direct investment in future for smooth progress of the country; and

(d) if so, the details thereof and if not, the reasons therefor?

THE MINISTER OF INDUSTRY (SHRI MURASOLI MARAN): (a) and (b) As against total Foreign Direct Investment (FDI) approvals amounting to Rs. 76261 crores (excluding Euro Issues) between 1991 to 1996 (Upto September) the actual foreign direct investment inflow is Rs. 18151 crores (Upto Sept. 96). This indicates an approval: inflow ratio of roughly 4:1. However, gestation period of projects vary and mega-projects (Power, Refinery etc.) take much longer time. Excluding Mega Projects (which involve nearly 50% of FDI approved) the approval: inflow ratio would be about 2:1. Inflow is showing an ever-increasing trend in as much as it has increased from Rs. 351 crores in 1991 to Rs. 675 crores during 1992, Rs. 1787 crores during 1993, Rs. 2982 crores during 1994, Rs. 6370 crores during 1995 and Rs. 5985 crores during 1996 (i.e. upto Sept., 96). The inflow of Rs. 6370 crores during 1995, is more than the total FDI inflows during the last 4 years. This trend indicates that foreign equity inflows have picked up.

(c) and (d) Government constantly reviews the investment policy so as to make it increasingly competitive and investor friendly. In addition, the Central Government has recently revamped the Foreign Investment Promotion Board to make the approval process quicker and more transparent. For promoting investment and attracting entrepreneurs to backward areas, the State Governments are offering variety of incentives such as Capital Subsidy, Sales Tax exemption, Power Subsidy, allotment of Land in priority, setting up of growth centre and transport subsidy in hilly areas.

Open Market Sales of Wheat and Rice

977. DR. MOHAN BABU: Will the Minister of FOOD be pleased to state:

(a) whether discretionary powers are vested with officers of FCI for open market sales of wheat and rice;

(b) if so, the details thereof;

(c) the reasons for not practising the open auctions for its stocks at various depots; and

(d) whether Government propose to introduce open market sales scheme?

THE MINISTER OF FOOD AND MINISTER OF CIVIL SUPPLIES, CONSUMER AFFAIRS AND PUBLIC DISTRIBUTION (SHRI DEVENDRA PARASAD YADAV): (a) and (b) While the policy matters like the prices, ceilings on open sale of Wheat and Rice (Domestic) are decided by the Government, operational matters such as Statewise releases are fixed by the FCI. A three-members committee headed by SRM, Food Corporation of India (FCI) decides the names of purchasers alongwith the quantity of wheat to be sold to the purchasers in a month.

(c) FCI does not conduct open auctions for its stocks at various depots. Open sale of Wheat and Rice is undertaken, *inter alia*, to exert a sobering influence on the market prices without jeopardising the Public Distribution System. On relevant/practical considerations Govt. has decided to undertake open sale of Wheat and Rice at prices above the Central Issue Price but below the FCI's economic cost.